



**ROANOKE CITY COUNCIL  
REGULAR SESSION**

**JANUARY 3, 2006  
9:00 A.M.**

**ROOM 159**

**AGENDA**

**Call to Order--Roll Call.**

**TO BE RECESSED UNTIL 2:00 P.M. IN THE CITY COUNCIL  
CHAMBER.**



**ROANOKE CITY COUNCIL  
REGULAR SESSION**

**JANUARY 3, 2006  
2:00 P.M.**

**CITY COUNCIL CHAMBER**

**AGENDA**

**1. Call to Order--Roll Call.**

The Invocation will be delivered by Council Member Alfred T. Dowe, Jr.

The Pledge of Allegiance to the Flag of the United States of America will be led by Mayor C. Nelson Harris.

Welcome. Mayor Harris.

**NOTICE:**

Today's Council meeting will be replayed on Channel 3 on Thursday, January 5, 2006, at 7:00 p.m., and Saturday, January 7, 2006, at 4:00 p.m. Council meetings are offered with closed captioning for the hearing impaired.

## **ANNOUNCEMENTS:**

THE PUBLIC IS ADVISED THAT MEMBERS OF COUNCIL RECEIVE THE CITY COUNCIL AGENDA AND RELATED COMMUNICATIONS, REPORTS, ORDINANCES AND RESOLUTIONS, ETC., ON THE WEDNESDAY PRIOR TO THE COUNCIL MEETING TO PROVIDE SUFFICIENT TIME FOR REVIEW OF INFORMATION. CITIZENS WHO ARE INTERESTED IN OBTAINING A COPY OF ANY ITEM LISTED ON THE AGENDA MAY CONTACT THE CITY CLERK'S OFFICE, ROOM 456, NOEL C. TAYLOR MUNICIPAL BUILDING, 215 CHURCH AVENUE, S. W., OR CALL 853-2541.

THE CITY CLERK'S OFFICE PROVIDES THE MAJORITY OF THE CITY COUNCIL AGENDA ON THE INTERNET FOR VIEWING AND RESEARCH PURPOSES. TO ACCESS AGENDA MATERIAL, GO TO THE CITY'S HOMEPAGE AT [WWW.ROANOKEVA.GOV](http://WWW.ROANOKEVA.GOV), CLICK ON THE SERVICE ICON, CLICK ON COUNCIL AGENDAS TO ACCESS THE APPROPRIATE AGENDA AND COUNCIL MEETING. IF ADOBE ACROBAT IS NOT AVAILABLE, A PROMPT WILL APPEAR TO DOWNLOAD PRIOR TO VIEWING AGENDA INFORMATION.

ALL PERSONS WISHING TO ADDRESS COUNCIL ARE REQUESTED TO REGISTER WITH THE STAFF ASSISTANT WHO IS LOCATED AT THE ENTRANCE TO THE COUNCIL CHAMBER. ON THE SAME AGENDA ITEM, ONE TO FOUR SPEAKERS WILL BE ALLOTTED FIVE MINUTES EACH, HOWEVER, IF THERE ARE MORE THAN FOUR SPEAKERS, EACH SPEAKER WILL BE ALLOTTED THREE MINUTES.

ANY PERSON WHO IS INTERESTED IN SERVING ON A CITY COUNCIL APPOINTED AUTHORITY, BOARD, COMMISSION OR COMMITTEE IS REQUESTED TO CONTACT THE CITY CLERK'S OFFICE AT 853-2541, OR ACCESS THE CITY'S HOMEPAGE AT [WWW.ROANOKEVA.GOV](http://WWW.ROANOKEVA.GOV), TO OBTAIN AN APPLICATION.

## **2. PRESENTATIONS AND ACKNOWLEDGEMENTS: NONE.**

### 3. CONSENT AGENDA

ALL MATTERS LISTED UNDER THE CONSENT AGENDA ARE CONSIDERED TO BE ROUTINE BY THE MEMBERS OF CITY COUNCIL AND WILL BE ENACTED BY ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THE ITEMS. IF DISCUSSION IS DESIRED, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED SEPARATELY.

- C-1            A communication from Mayor C. Nelson Harris requesting that Council convene in a Closed Meeting to discuss vacancies on certain authorities, boards, commissions and committees appointed by Council, and to interview an applicant for a vacancy on the Roanoke Redevelopment and Housing Authority, pursuant to Section 2.2-3711(A)(1), Code of Virginia (1950), as amended. P 7

RECOMMENDED ACTION:        Concur in the request.

- C-2            A communication from the City Attorney requesting that Council convene in a Closed Meeting to consult with legal counsel on a specific legal matter requiring the provision of legal counsel, pursuant to Section 2.2-3711(A)(7), Code of Virginia (1950), as amended. P 8

RECOMMENDED ACTION:        Concur in the request.

- C-3            A communication from the City Manager recommending adoption of the Calendar of Events for Budget Preparation Activities for fiscal year 2006-2007. P 9

RECOMMENDED ACTION:        Concur in the recommendation.

### REGULAR AGENDA

#### 4. PUBLIC HEARINGS:

- a.            Proposal to lease City-owned property located at 32 Market Square to Elias Azar, d/b/a Azar Jewelry, Inc., for use as office space for a term of three years. Darlene L. Burcham, City Manager. P 12;  
O 36

#### 5. PETITIONS AND COMMUNICATIONS:    NONE.

## 6. REPORTS OF OFFICERS:

### a. CITY MANAGER:

BRIEFINGS: NONE.

#### ITEMS RECOMMENDED FOR ACTION:

1. Acceptance of Fiscal Year 2006 Virginia Department of Fire Programs Grant funds, in the amount of \$215,029.00.
2. Adoption of guidelines for funding non-profit organizations.

P 37; B/O 39; R 40
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P 41; R 44
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### b. DIRECTOR OF FINANCE:

1. Financial report for the month of November, 2005.

P 45
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## 7. REPORTS OF COMMITTEES: NONE.

## 8. UNFINISHED BUSINESS: NONE.

## 9. INTRODUCTION AND CONSIDERATION OF ORDINANCES AND RESOLUTIONS: NONE.

## 10. MOTIONS AND MISCELLANEOUS BUSINESS:

- a. Inquiries and/or comments by the Mayor and Members of City Council.
- b. Vacancies on certain authorities, boards, commissions and committees appointed by Council.

## 11. HEARING OF CITIZENS UPON PUBLIC MATTERS:

CITY COUNCIL SETS THIS TIME AS A PRIORITY FOR CITIZENS TO BE HEARD. MATTERS REQUIRING REFERRAL TO THE CITY MANAGER WILL BE REFERRED IMMEDIATELY FOR RESPONSE, RECOMMENDATION OR REPORT TO COUNCIL.

## **12. CITY MANAGER COMMENTS:**

**CERTIFICATION OF CLOSED SESSION.**



**C. NELSON HARRIS**  
Mayor

**CITY OF ROANOKE**  
**OFFICE OF THE MAYOR**

215 CHURCH AVENUE, S.W., ROOM 452

ROANOKE, VIRGINIA 24011-1594

TELEPHONE: (540) 853-2444

FAX: (540) 853-1145

January 3, 2006

The Honorable Vice-Mayor and Members  
of the Roanoke City Council  
Roanoke, Virginia

Dear Members of Council:

This is to request a Closed Meeting to discuss vacancies on certain authorities, boards, commissions and committees appointed by Council, and to interview an applicant for a vacancy on the Roanoke Redevelopment and Housing Authority, pursuant to Section 2.2-3711 (A)(1), Code of Virginia (1950), as amended.

Sincerely,

A handwritten signature in black ink that reads "C. Nelson Harris". The signature is written in a cursive, flowing style.

C. Nelson Harris  
Mayor

CNH:snh



**WILLIAM M. HACKWORTH**  
CITY ATTORNEY

**CITY OF ROANOKE**  
**OFFICE OF CITY ATTORNEY**  
464 MUNICIPAL BUILDING  
215 CHURCH AVENUE, SW  
ROANOKE, VIRGINIA 24011-1595

TELEPHONE: 540-853-2431  
FAX: 540-853-1221  
EMAIL: cityatty@roanokeva.gov

**TIMOTHY R. SPENCER**  
**STEVEN J. TALEVI**  
**GARY E. TEGENKAMP**  
**DAVID L. COLLINS**  
**HEATHER P. FERGUSON**  
ASSISTANT CITY ATTORNEYS

January 3, 2006

The Honorable Mayor and Members  
of City Council  
Roanoke, Virginia

Re: Request for closed meeting

Dear Mayor Harris and Council Members:

This is to request that City Council convene a closed meeting for consulting with the City Attorney regarding a specific legal matter requiring the provision of legal counsel, pursuant to §2.2-3711.A.7, Code of Virginia (1950), as amended.

With kindest personal regards, I am

Sincerely yours,

A handwritten signature in black ink, reading "William M. Hackworth".

William M. Hackworth  
City Attorney

WMH:lsc

cc: Darlene L. Burcham, City Manager  
Mary F. Parker, City Clerk



# **CITY OF ROANOKE**

## **OFFICE OF THE CITY MANAGER**

Noel C. Taylor Municipal Building  
215 Church Avenue, S.W., Room 364  
Roanoke, Virginia 24011-1591

Telephone: (540) 853-2333

Fax: (540) 853-1138

City Web: [www.roanokeva.gov](http://www.roanokeva.gov)

January 3, 2006

Honorable C. Nelson Harris, Mayor  
Honorable Beverly T. Fitzpatrick, Jr., Vice Mayor  
Honorable M. Rupert Cutler, Council Member  
Honorable Alfred T. Dowe, Jr., Council Member  
Honorable Sherman P. Lea, Council Member  
Honorable Brenda L. McDaniel, Council Member  
Honorable Brian J. Wishneff, Council Member

Dear Mayor Harris and Members of Council:

Subject: Adoption of Calendar of  
Events for Budget Preparation  
Activities for FY 2006-2007

### Background:

As in prior years, City Council has approved the Calendar of Events for Budget Preparation Activities for the upcoming fiscal year. The recommended Calendar of Events for FY 2006-2007 is attached.

### Recommended Actions:

Approve the attached Calendar of Events for Budget Preparation Activities for FY 2006-2007.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Darlene L. Burcham".

Darlene L. Burcham  
City Manager

DLB:vst

Attachment

Honorable Mayor and Members of Council  
January 3, 2006  
Page 2

c: Mary F. Parker, City Clerk  
William M. Hackworth, City Attorney  
Jesse A. Hall, Director of Finance  
Sherman M. Stovall, Director of Management and Budget

CM05-00187

**COUNCIL CALENDAR OF EVENTS  
FOR BUDGET PREPARATION ACTIVITIES  
FISCAL YEAR 2006 - 2007**

<b><u>Date</u></b>	<b><u>Budget Preparation Activities</u></b>
April 10-14, 2006	City Manager briefs City Council on Recommended budget.
April 14, 2006	Recommended budget document delivered to City Council members.
April 17, 2006	Recommended budget presented to City Council at regularly scheduled meeting; meeting continued to April 27.
April 18, 2006	Advertisements of public hearings on recommended budget and tax rates appear in newspapers.
	<u>Note:</u> State Code requires the advertisement of the real property tax rate for the fiscal year.
April 27, 2006	Public hearings on recommended budget and tax rates at <u>7:00 p.m.</u>
May 4, and 5, 2006	Budget Study – <u>8:30 a.m. – 5:00 p.m.</u> (continuation of May 1 City Council meeting).
May 11, 2006	City Council adopts General Fund, School Fund, Proprietary Fund budgets and an Update to the HUD Consolidated Plan and approves an annual appropriation ordinance at 2:00 p.m.



## **CITY OF ROANOKE OFFICE OF THE CITY MANAGER**

Noel C. Taylor Municipal Building  
215 Church Avenue, S.W., Room 364  
Roanoke, Virginia 24011-1591  
Telephone: (540) 853-2333  
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January 3, 2006

Honorable C. Nelson Harris, Mayor  
Honorable Beverly T. Fitzpatrick, Jr., Vice Mayor  
Honorable M. Rupert Cutler, Council Member  
Honorable Alfred T. Dowe, Jr., Council Member  
Honorable Sherman P. Lea, Council Member  
Honorable Brenda L. McDaniel, Council Member  
Honorable Brian J. Wishneff, Council Member

Dear Mayor Harris and Members of Council:

Subject: Market Building Lease

### **Background:**

The City of Roanoke owns the City Market Building located at 32 Market Square, Roanoke, Virginia 24011. The City of Roanoke began management of the Building on May 1, 2005, after the former management company, Advantis Real Estate, terminated the management contract for this property.

Elias Azar, the owner and operator of Azar Jewelry, Inc., has requested a lease agreement for approximately 418 square feet to sell and/or repair jewelry. The proposed lease agreement is for a three (3) year period, beginning January 3, 2006, through January 2, 2009. The proposed agreement establishes a base rent rate of \$23.50 per square foot with an increase of 3.00% each year thereafter and a common area maintenance fee of \$125.00 per month that will increase by 3.00% upon each anniversary of this Lease. In addition to base rent and common area maintenance, the tenant will also pay \$72.00 per month for thirty-four (34) months (for a total of \$2,448) for the reimbursement of costs incurred by the City associated with the framing in of two open doorways, installing hot and cold water supply and waste line, installing a sink provided by the tenant with two ground fault outlets, and removal of the existing carpet. There is no renewal provision in this lease.

Recommended Action:

Authorize the City Manager to execute a lease agreement with Elias Azar d/b/a Azar Jewelry, Inc., for approximately 418 square feet in the City Market Building located at 32 Market Square, Roanoke, Virginia 24011, for a period of three (3) years, beginning January 3, 2006, and expiring January 2, 2009. All documents shall be upon form approved by the City Attorney.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Darlene L. Burcham', written in a cursive style.

Darlene L. Burcham  
City Manager

DLB:lpp

c: Mary F. Parker, City Clerk  
William M. Hackworth, City Attorney  
Jesse A. Hall, Director of Finance  
Rolanda Russell, Assistant City Manager  
Brian Townsend, Director Planning, Building and Economic Development  
David Collins, Assistant City Attorney  
Lisa Poindexter-Plaia, Economic Development Specialist

CM05-00185

LEASE

Between

THE CITY OF ROANOKE

and

Elias Azar dba Azar Jewelry, Inc.

LEASE  
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Exhibit G	Tenant Improvement

## LEASE

THIS LEASE is made this \_\_\_\_ day of \_\_\_\_\_ 2005 by and between the CITY OF ROANOKE (hereinafter referred to as ALandlord@), and Elias Azar dba Azar Jewelry, Inc., (hereinafter referred to as ATenant@),

### WITNESSETH:

In consideration of the mutual agreements hereinafter set forth, the parties hereto mutually agree as follows:

1. **PREMISES** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, for the term and upon the conditions hereinafter provided, a section of the building known as the Roanoke City Market Building (herein referred to as the ABuilding@) located at 32 Market Square, Stall #110, Roanoke, Virginia 24011, as is delineated on Exhibit AA@ hereto, which is hereafter referred to as the APremises.@ The Premises consists of approximately 418 square feet of space.

2. **TERM** The term of this Lease shall commence on January 3, 2006 (ACommencement Date@) and shall expire at 11:59 o'clock p.m. on January 2, 2009. A key will be given to Tenant upon execution of the Lease.

3. **BASE RENT; ESCALATIONS** The base rent for the first year of the term shall be based on cost per square foot. Tenant shall pay as base rent for the Premises for each year of the Lease according to the following schedule:

Period	Per Square Foot	Monthly Rent Amount	Annual Rent Amount
1/3/06 to 1/2/07	\$23.50	\$818.50	\$9,822.00
1/3/07 to 1/2/08	\$24.20	\$843.00	\$10,116.00
1/3/08 to 1/2/09	\$24.92	\$868.00	\$10,416.00

If the Commencement Date is other than the first day of the month, the first year of the Lease term shall be deemed to be extended to include such partial month and the following twelve (12) months, so as to end on the last day of the month. In the event the Commencement Date is other than the first day of a calendar month, the Base Rent ("Rent") (as well as the Common Area Maintenance Fee provided hereunder) for the portion of the then current calendar month shall be prorated on the basis of a thirty (30) day month and shall be paid immediately upon the commencement of the Term.

On the first anniversary of the Lease, and upon each successive anniversary thereafter, the monthly rent for the next twelve (12) months shall be increased by three percent (3%) of the previous year=s monthly rental.

Rent shall be paid monthly. The first monthly payment shall be made at the time of execution of this Lease by the parties; the second and all subsequent monthly payments shall be made on the first day of each and every calendar month during the term. Any monthly payment of rent which is not received by Landlord by the end of the fifth (5th) day of the month shall be assessed a late charge in the amount of five percent (5%) of such total monthly rent payment. All delinquent rent, and other charges due under this Lease shall accrue interest at a rate equal to the current prime rate, as established by the United States Government, plus two percent (2%) per month or the maximum amount permitted by law, from the due date of such payment and shall constitute additional rent payable by Tenant under this Lease and shall be paid by Tenant to Landlord upon demand. Payment shall not be deemed as received if Tenant's payment is not actually collected (such as payment by insufficient funds check). Tenant shall pay rent to Landlord at City of

Roanoke, 111 Franklin Road, Suite 200, Roanoke, Virginia 24011, Attention: Director of Economic Development, or to such other party or at such other address as Landlord may designate from time to time by written notice to Tenant, without demand. Checks shall be made payable to Treasurer, City of Roanoke.

4. COMMON AREA MAINTENANCE Tenant agrees to pay Landlord, as additional rental, Tenant's proportionate share of the costs ("Common Area Maintenance Fee") of maintaining, operating, repairing, replacing and insuring the "Common Areas" defined herein.

The Common Area Maintenance Fee for this lease will be a flat fee charge of One hundred twenty-five Dollars (\$125.00) per month. These fees will increase by three (3%) percent upon each anniversary of this Lease.

The term "Common Area Maintenance Fee" includes all costs and expenses of every kind and nature paid or incurred by Landlord in operating, managing, equipping, policing, lighting, repairing, replacing items in the Building and maintaining the Building. Such costs and expenses will include, but not be limited to, the following:

- (a) utilities (electric, gas, waste removal, water and sewer charges, storm water charges; individual telephone service is specifically excluded),
- (b) insurance premiums for public liability and property damage for the Building(excluding Tenant's Premises)
- (c) maintenance costs of heating, ventilating and air conditioning,
- (d) insect and rodent treatment,
- (e) snow and ice removal,
- (f) electrical and plumbing repairs in the Common Areas of the Building,
- (g) management costs and repairs to the structure of Building which includes roof and wall repairs, foundations, sprinkler systems, utility lines, sidewalks and curbs,
- (h) security camera systems,
- (i) lighting,
- (j) sanitary control, drainage, collection of rubbish and other refuse,
- (k) costs to remedy and/or comply with governmental and/or environmental and hazardous waste matters (excluding Tenant's Premises)
- (l) repair and installation of equipment for energy saving or safety purposes,
- (m) reserves for future maintenance and repair work (which Tenant hereby authorize Landlord to use as necessary),
- (n) depreciation on equipment and machinery used in maintenance, costs of personnel required to provide such services,
- (o) all costs and expenses associated with Landlord's obligation to repair and maintain and such other items of cost and expense which are relatable to proper maintenance of the Building and its Common Areas.

The "Common Areas" are defined as all areas and spaces in the Building and equipment in the Building, as further shown on the attached Exhibit B provided by Landlord for common or joint use and benefit of the tenants of the Building, their employees, agents, servants, customers and invitees. The Common Areas further include, without limitation, roofs, walls, vacant areas, food court, elevator(s), restrooms, stairways, walkways, ramps, foundations, signs (excluding Tenant's signage), security cameras, lighting fixtures and equipment, and the facilities appurtenant to each of the aforesaid, and any other facilities maintained for the benefit of the Building. Landlord shall have the right to modify the Common Areas from time to time as deemed reasonable by Landlord.

5. LANDLORD'S OBLIGATIONS Landlord hereby agrees to provide and be responsible for the following:

- (a) make all structural and capital repairs and replacements to items in the Building and to the Common Areas, as defined above, and to maintain the Building and its Common Areas. Structural and capital repairs and replacements are defined as repairs or replacements which include but are

not limited to repairs or replacements to the roof, elevators, electrical wiring, heating and air conditioning systems, toilets, water pipes, gas, plumbing, other electrical fixtures and the exterior and interior walls. Structural and capital repairs to Tenant's Premises are specifically excluded.

- (b) pay for the cost of Tenant's utilities (gas, electric, heating, water, telephone service specifically excluded) and all other services identified through use of funds from the Common Area Maintenance Fee described above.
- (c) provide a key to Tenant upon execution of the Lease Agreement,

6. TENANT'S OBLIGATIONS Tenant, at its sole cost and expense, agrees to provide and be responsible for the following, in addition to its other responsibilities pursuant to this Lease.

- (a) Tenant shall keep and maintain the Premise in good repair, condition and appearance during the term of this Lease, ordinary wear and tear excepted, and not use any part of the Premises or the Common Areas of the Building in a negligent manner.
- (b) Tenant shall take good care of the Premises, its fixtures, and appurtenances and suffer no waste or injury thereto, and shall pay for all repairs and replacements to the Premises, necessitated by Tenant's actions, whether capital, structural as defined above, or otherwise.
- (c) Tenant shall surrender the Premises at the end of the term in as good condition as Tenant obtained the same at the commencement of the term, reasonable wear and tear excepted.
- (d) Tenant shall operate its business as described in Section 7 of this Lease.
- (e) Tenant shall pay rent timely as provided in Section 3 of this Lease.
- (f) Tenant shall obtain the insurance as required in Section 29 of this Lease.

7. USE OF PREMISES The Premises shall be used for the purpose of conducting therein the sale and repair of jewelry. Tenant covenants and agrees that at all times during the term hereof, Tenant will actively conduct such a business in the Premises, keep the Premises amply stocked with good and fresh merchandise and keep the Premises open for business during the customary business hours of 10:00 a.m. to 6:00 p.m. (not less than eight (8) hours per day, Monday through Saturday) of the Building as established or as may be amended by Landlord and (ii) the Premises shall be used only for such purpose. The Building will be closed for the following Holidays: New Year's Day, Memorial Day, Labor Day, Thanksgiving Day and Christmas Day. Nothing herein shall require the City of Roanoke to open the Building outside of the above designated hours. The Premises shall not be used for any other purpose without the written permission of Landlord. Tenant shall not open the Building to the public outside of the customary business hours or on the Holidays stated above.

8. EXCLUSIVITY Intentionally omitted.

9. ASSIGNMENT AND SUBLETTING Tenant shall not voluntarily or involuntarily assign this Lease in whole or in part, nor sublet all or any part of the Premises without following the procedures detailed herein and obtaining the prior written consent of Landlord, in Landlord's sole discretion. The consent by Landlord to any assignment or subletting shall not constitute a waiver of the necessity for such consent in any subsequent assignment or subletting.

In the event that Tenant receives a bona fide written offer from a third party for the sublease or assignment of the Premises, Tenant shall forthwith notify Landlord in writing, attaching a copy of such offer, of Tenant's desire to sublet or assign this

Lease upon the terms of such offer, whereupon Landlord shall have thirty (30) days to accept or reject such assignment or sublease.

10. IMPROVEMENTS Landlord must approve all alterations, redecorations, or improvements in and to the Premises in writing beforehand. Such alterations, redecorations, additions, or improvements shall conform to all applicable Building Codes of the City of Roanoke, federal and state laws, rules and regulations.

11. SURRENDER OF PREMISES At the expiration of the tenancy hereby created, Tenant shall peaceably surrender the Premises, including all alterations, additions, improvements, decorations and repairs made thereto (but excluding all trade fixtures, equipment, signs and other personal property installed by Tenant, provided that in no event shall Tenant remove any of the following materials or equipment without Landlord's prior written consent: any free standing signs, any power wiring or power panels; lighting or lighting fixtures; wall coverings; drapes, blinds or other window coverings; carpets or other floor coverings; or other similar building operating equipment and decorations), broom cleaned and in good condition and repair, reasonable wear and tear excepted. Tenant shall remove all its property not required to be surrendered to Landlord before surrendering the Premises and shall repair any damage to the Premises caused thereby. Any personal property remaining in the Premises at the expiration of the Lease shall be deemed abandoned by Tenant, and Landlord may claim the same and shall in no circumstance have any liability to Tenant therefore. If physical alterations were done by Tenant, Landlord, at its option, may require Tenant to return Premises to its original condition (condition at occupancy) when Tenant vacates Premises. Upon termination, Tenant shall also surrender all keys for the Premises to Landlord and, if applicable, inform Landlord of any combinations of locks or safes in the Premises. If the Premises are not surrendered at the end of the term as herein above set out, Tenant shall indemnify Landlord against loss or liability resulting from delay by Tenant in so surrendering the Premises, including without limitation, claims made by the succeeding Tenant founded on such delay. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this Lease.

12. INSPECTION Tenant will permit Landlord, or its representative, to enter the Premises, upon reasonable notice to Tenant, without charge thereof to Landlord and without diminution of the rent payable by Tenant, to examine, inspect and protect the same, and to make such alterations and/or repairs as in the judgment of Landlord may be deemed necessary, or to exhibit the same to prospective Tenants during the last one hundred twenty (120) days of the term of this Lease.

13. INSOLVENCY OR BANKRUPTCY OF TENANT In the event Tenant makes an assignment for the benefit of creditors, or a receiver of Tenant's assets is appointed, or Tenant files a voluntary petition in any bankruptcy or insolvency proceeding, or an involuntary petition in any bankruptcy or insolvency proceeding is filed against Tenant and the same is not discharged within sixty (60) days, or Tenant is adjudicated as bankrupt, Landlord shall have the option of terminating this Lease. Upon such written notice being given by Landlord to Tenant, the term of this Lease shall, at the option of Landlord, end and Landlord shall be entitled to immediate possession of the Premises and to recover damages from Tenant in accordance with the provisions of Article 17 hereof.

14. TRANSFER OF LANDLORD'S INTEREST Landlord shall have the right to convey, transfer or assign, by sale or otherwise, all or any part of its ownership interest in the property, including the Premises, at any time and from time to time and to any person, subject to the terms and conditions of this Lease. All covenants and obligations of Landlord under this Lease shall cease upon the execution of such conveyance, transfer or assignment, but such covenants and obligations shall run with the land and shall be binding upon the subsequent owner(s) thereof or of this Lease during the periods of their ownership thereof.

15. ESTOPPEL CERTIFICATE Tenant agrees, at any time, and from time to

time, upon not less than ten (10) days' prior notice by Landlord, to execute, acknowledge and deliver to Landlord, a statement in writing addressed to Landlord or other party designated by Landlord certifying that this Lease is in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications), stating the actual commencement and expiration dates of the Lease, stating the dates to which rent, and other charges, if any, have been paid, that the Premises have been completed on or before the date of such certificate and that all conditions precedent to the Lease taking effect have been carried out, that Tenant has accepted possession, that the Lease term has commenced, Tenant is occupying the Premises and is open for business, and stating whether or not there exists any default by either party contained in this Lease, and if so specifying each such default of which the signer may have knowledge and the claims or offsets, if any, claimed by Tenant; it being intended that any such statement delivered pursuant hereto may be relied upon by Landlord or a purchaser of Landlord's interest and by any mortgagee or prospective mortgage of any mortgage affecting the Premises. If Tenant does not deliver such statement to Landlord within such ten (10) day period, Landlord may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (ii) that this Lease has not been canceled or terminated except as otherwise represented by Landlord; (iii) that not more than one (1) month's minimum rent or other charges have been paid in advance; and (iv) that Landlord is not in default under the Lease; and (v) no disputes exist. In such event Tenant shall be estopped from denying the truth of such facts. Tenant shall also, on ten (10) days' written notice, provide an agreement in favor of and in the form customarily used by such encumbrance holder, by the terms of which Tenant will agree to give prompt written notice to any such encumbrance holder in the event of any casualty damage to the Premises or in the event of any default on the part of Landlord under this Lease, and will agree to allow such encumbrance holder a reasonable length of time after notice to cure or cause the curing of such default before exercising Tenant's right of self-help under this Lease, if any, or terminating or declaring a default under this Lease.

16. DAMAGE TO THE PREMISES If the Building or the Premises shall be partially damaged by fire or other cause without the fault or neglect of Tenant, its agents, employees or invitees, Landlord shall diligently and as soon as practicable after such damage occurs repair such damage at the expense of Landlord, provided, however, that if the Building is damaged by fire or other cause to such extent that the damage cannot be fully repaired within ninety (90) days from the date of such damage, Landlord or Tenant, upon written notice to the other, may terminate this Lease, in which event the rent shall be apportioned and paid to the date of such damage. During the period that Tenant is deprived of the use of the damaged portion of Premises, Tenant shall be required to pay rental covering only that part of the Premises that Tenant is able to occupy, and Rent for such occupied space shall be the total rent divided by the square foot area of the Premises and multiplied by the square foot area that the Tenant is able to occupy.

17. DEFAULT OF TENANT If Tenant shall fail to pay any monthly installment of Rent and/or as required by this Lease, or shall violate or fail to perform any of the other conditions, covenants or agreement on its part contained in this Lease and such failure to pay Rent or such violation or failure shall continue for a period of ten (10) days after the due date of such payment or after written notice of any such violation or failure to perform by Tenant, then and in any of such events this Lease shall, at the option of Landlord, cease and terminate upon at least ten (10) days' prior written notice of such election to Tenant by Landlord, and if such failure to pay rent or such violation or failure shall continue to the date set forth in such notice of termination, then this Lease shall cease and terminate without further notice to quit or of Landlord's intention to re-enter, the same being hereby waived, and Landlord may proceed to recover possession under and by virtue of the provisions of the laws of Virginia, or by such other proceedings, including re-entry and possession, as may be applicable. If Landlord elects to terminate this Lease, everything herein contained on the part of Landlord to be done and performed shall cease without prejudice, however, to the right of Landlord to recover from the

Tenant all rental accrued up to the time of termination or recovery of possession by Landlord, whichever is later. Should this Lease be terminated before the expiration of the term of this Lease by reason of Tenant's default as hereinabove provided, or if Tenant shall abandon or vacate the Premises before the expiration or termination of the term of this Lease, Landlord shall use its best efforts to relet the Premises on the best rental terms reasonably available under the circumstances and if the full rental hereinabove provided shall not be realized by Landlord, Tenant shall be liable for any deficiency in rent. Any damage or loss of rental sustained by Landlord may be recovered by Landlord, at Landlord's option, at the time of the reletting, or in separate actions from time to time, as such damage shall have been made more easily ascertainable by successive relettings, or at Landlord's option, may be deferred until the expiration of the term of this Lease in which event the cause of action shall not be deemed to have accrued until the date of expiration of such term. The provisions contained in this paragraph shall not prohibit any claim Landlord may have against Tenant for anticipatory breach of the unexpired term of this Lease.

18. CONDEMNATION If any part of the Building or a substantial part of the Premises shall be taken or condemned by any governmental authority for any public or quasi-public use or purpose (including sale under threat of such a taking) then the term of this Lease shall cease and terminate as of the date when title vests in such governmental authority, and the annual rental shall be abated on the date when such title vests in such governmental authority. If less than a substantial part of the common area of the Premises is taken or condemned by any governmental authority for any public or quasi-public use or purpose, the rent shall be equitably adjusted on the date when title vests in such governmental authority and the Lease shall otherwise continue in full force and effect. Tenant shall have no claim against Landlord (or otherwise) for any portion of the amount that may be awarded as damages as a result of any governmental taking or condemnation (or sale under threat of such taking or condemnation) or for the value of any unexpired term of the Lease. For purposes of this Article 18, a substantial part of the Premises shall be considered to have been taken if more than fifty percent (50%) of the Premises are unusable by Tenant.

19. COVENANTS OF LANDLORD Landlord covenants that it has the right to make this Lease for the term aforesaid, and that if Tenant shall pay the Rent and perform all of the covenants, terms and conditions of this Lease to be performed by Tenant, Tenant shall, during the term hereby created, freely, peaceably and quietly occupy and enjoy the full possession of the Premises without molestation or hindrance by Landlord or any party claiming through or under Landlord.

20. NO PARTNERSHIP Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture of or between the Landlord and Tenant, or to create any other relationship between the parties hereto other than that of Landlord and Tenant.

21. BROKER'S COMMISSION Tenant represents and warrants that it has incurred no claims or finder's fees in connection with the execution of this Lease.

22. NOTICES All notices or other communications hereunder shall be in writing and shall be deemed duly given if delivered in person or by certified or registered mail, return receipt requested, first-class postage prepaid, (i) if to Landlord at City of Roanoke, 111 Franklin Road, Suite 200, Roanoke, Virginia 24011, Attention: Director of Economic, and (ii) if to Tenant, at Elias Azar, 1409 Archbold Avenue, Roanoke, Virginia 24012-8104, unless notice of a change of address is given pursuant to the provisions of this Article.

23. HOLDING OVER In the event that Tenant shall not immediately surrender the Premises on the date of expiration of the term hereof, Lease shall automatically renew itself month to month, at twice the Rent rate for the last year of the Lease plus all other charges accruing under this Lease, and subject to all covenants, provisions and conditions herein contained. Landlord and tenant shall both have

the right to terminate the holdover tenancy upon thirty (30) days written notice. Tenant shall not interpose any counterclaim(s) in a summary proceeding or other action based on holdover.

24. BENEFIT AND BURDEN The provisions of this Lease shall be binding upon, and shall inure to the benefit of, the parties hereto and each of their respective representatives, successors and assigns.

25. GENDER AND NUMBER Feminine or neuter pronouns shall be substituted for those of the masculine form, and the plural shall be substituted for the singular number, in any place or places herein in which the context may require such substitution.

26. ENTIRE AGREEMENT This Lease, together with any exhibits attached hereto, contains and embodies the entire agreement of the parties hereto, and representations, inducements or agreements, oral or otherwise, between the parties not contained in this Lease and exhibits, shall not be of any force or effect. This Lease may not be modified, changed or terminated in whole or in part in any manner other than by an agreement in writing duly signed by both parties hereto.

27. INVALIDITY OF PARTICULAR PROVISIONS If any provision of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provisions to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

28. HAZARDOUS SUBSTANCES Tenant covenants and warrants that Tenant, and Tenant's use of Premises and any alterations thereto will at all times comply with and conform to all laws, statutes, ordinances, rules and regulations of any governmental, quasi-governmental or regulatory authorities ("Laws") which relate to the transportation, storage, placement handling, treatment, discharge, generation, removal production or disposal (collectively "Treatment") of any waste petroleum product, waste products, radioactive waste, Polychlorinated Biphenyls (PCB), asbestos, lead-based paint, or other hazardous materials of any kind, and any substance which is regulated by any law, statute, ordinance, rule or regulation (collectively "Waste"). Tenant further covenants and warrants that it will not engage in or permit any person or entity to engage in any Treatment of any Waste on or which affects the Premises.

Immediately upon receipt of any Notice (as hereinafter defined) from any person or entity, Tenant shall deliver to Landlord a true, correct and complete copy of any written Notice. "Notice" shall mean any note, notice or report of any suit, proceedings, investigation, order, consent order, injunction, writ, award or action related to or affecting or indicating the Treatment of any Waste in or affecting the Premises.

Tenant hereby agrees it will indemnify, defend, save and hold harmless Landlord and Landlord's officers, directors, shareholders, employees, agents, partners, and the respective heirs, successors and assigns (collectively "Indemnified Parties") against and from, and to reimburse the Indemnified Parties with respect to, any and all damages, claims, liabilities, loss, costs and expense (including, without limitation all attorney's fees and expenses, court costs, administrative costs and costs of appeals), incurred by or asserted against the Indemnified Parties by reason of or arising out of: (a) the breach of any representation or undertaking of Tenant under this section or (b) arising out of the Treatment of any waste by Tenant or any licensee, concessionaire, manager or other party occupying or using the Premises.

Landlord is given the right, but not the obligation, to inspect and monitor the Premises and Tenant's use of the Premises, including the right to review paperwork associated with Treatment activities in order to confirm Tenant's compliance with the terms of this Section. Landlord may require that Tenant deliver to Landlord

concurrent with Tenant's vacating the Premises upon the expiration of this Lease, or any earlier vacation of the Premises by Tenant, at Tenant's expense, a certified statement by licensed engineers satisfactory to the Landlord, in form and substance satisfactory to Landlord, stating that Tenant, and any alterations thereto and Tenant's use of the Premises complied and conformed to all Laws relating to the Treatment of any Waste in or affecting the Premises. .

Tenant agrees to deliver upon request from Landlord estoppel certificates to Landlord expressly stipulating whether Tenant is engaged in or has engaged in the Treatment of any Waste in or affecting the Premises, and whether Tenant has caused any spill, contamination, discharge, leakage, release or escape of any Waste in or affecting the Premises, whether sudden or gradual, accidental or anticipated, or any other nature at or affecting the Premises and whether, to the best of the Tenant's knowledge, such an occurrence has otherwise occurred at or affecting the Premises.

29. INSURANCE Prior to the delivery of possession of the Premises to Tenant, Tenant shall provide Landlord evidence satisfactory to Landlord (i) that fire and casualty and workers' compensation policies in amount and in form and content satisfactory to Landlord have been issued by a company or companies satisfactory to Landlord and will be maintained throughout the course of Tenant's work at Tenant's cost and expense and (ii) that Tenant has complied with the comprehensive liability insurance requirements set forth in the following paragraph.

Tenant will, at all times commencing on the date of delivery of possession of the Premises to Tenant, at its own cost and expense, carry with a company or companies, satisfactory to Landlord, comprehensive general liability insurance including public liability and property damage, in a form satisfactory to Landlord, on the Premises, with the combined single liability limits of not less than One Million Dollars (\$1,000,000.00) per occurrence, which insurance shall be written or endorsed so as to protect Landlord, its officers, agents and employees as additional insureds. The Tenant agrees that the above stated limits and coverages are minimum limits and coverages, and that Tenant shall provide such additional insurance as set forth above, in such amounts and against such risk as may be required in the Landlord's sole but reasonable judgment, to equal the amounts and types of coverages carried by prudent owners and operators of properties similar to the Building. Tenant shall increase such limits at its discretion or upon reasonable request of Landlord but not more often than once every year and such increases shall not be in excess of generally accepted standards in the industry. Tenant covenants that certificates of all of the insurance policies required under this Lease, and their renewal or replacement, shall be delivered to Landlord promptly without demand upon the commencement of the term of this Lease and upon each renewal of the insurance. Such policy or policies shall also provide that it shall not be cancelled nor shall there be any change in the scope or amount of coverage of the policy without thirty (30) days prior written notice to Landlord. If same is not provided with ten (10) days after demand, Landlord is authorized to secure such policy from such companies as it deems appropriate and collect from Tenant in such a manner as it deems appropriate the cost of the premium.

30. SECURITY DEPOSIT

- (a) AMOUNT OF DEPOSIT Tenant will deposit a sum equal to the amount of the rent in the last month of the Lease with the Landlord before the commencement of this Lease. Such deposit shall be held by Landlord, without liability for interest, as security for the faithful performance by Tenant of all of the terms, covenants and conditions of the Lease by Tenant to be kept and performed during the term hereof. If at any time during the term of this Lease any of the rent herein reserved shall be overdue and unpaid, or any other sum payable by Tenant to Landlord hereunder shall be overdue and unpaid, the Landlord may, at the option of Landlord, appropriate and apply any portion of such deposit to the payment of any such overdue rent or other sum.

- (b) USE AND RETURN OF DEPOSIT In the event of the failure of Tenant to keep and perform any of the terms, covenants, and conditions of this Lease to be kept and performed by Tenant, then the Landlord at its option may appropriate and apply the entire such deposit, or so much thereof as may be necessary, to compensate the Landlord for loss of damage sustained or suffered by Landlord due to such breach on the part of Tenant. Should the entire deposit, or any portion thereof, be appropriated and applied by Landlord for the payment of overdue rent or other sums due and payable to Landlord by Tenant hereunder, then Tenant shall, upon the written demand of Landlord, forthwith remit to Landlord a sufficient amount in cash to restore such security to the original sum deposited, and Tenant's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this Lease. Should Tenant comply with all of such terms, covenants and conditions and promptly pay all of the rental herein provided for as it falls due, and all other sums payable by Tenant to Landlord hereunder, such deposit shall be returned in full to Tenant at the end of the Lease Term or upon the earlier termination of this Lease.

31. INDEMNIFICATION Tenant agrees to save and to protect, indemnify and hold Landlord harmless from and against and to reimburse Landlord from any and all liabilities, damages, costs, expenses, including, without limitation, reasonable attorneys' fees, causes of action, suits, claims, demands, or judgments of any nature whatsoever arising from injury to or death of persons or damages to property resulting from Tenant's use of the Premises caused by any act or omission, whether intentional or otherwise, of Tenant or its employees, servants, contractors or agents.

32. COMPLIANCE WITH LAWS AND REGULATIONS Tenant agrees to and will comply with all applicable federal, state and local laws, ordinances and regulations. Tenant acknowledges and agrees that it will dispose of trash and grease in the containers designated by the Landlord for such disposal and not dispose of such substances in a manner that would violate applicable federal, state and local laws, ordinances or regulations.

33. FORUM SELECTION AND CHOICE OF LAW By virtue of entering into this Lease, Tenant submits itself to a court of competent jurisdiction in the City of Roanoke, Virginia, and further agrees that this Lease is controlled by the laws of the Commonwealth of Virginia and that all claims, disputes, and other matters shall only be decided by such court according to the laws of the Commonwealth of Virginia.

34. FORCE MAJEURE In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature not the fault of the party delayed in performing the work or doing acts required under the terms of this Lease, then the time allowed for performance for such act shall be extended by a period equivalent to the period of such delay. The provisions of this Section shall not operate to excuse Tenant from the prompt payment of rent, Common Area Maintenance Fee or any other payments required by the terms of this Lease.

35. EQUAL EMPLOYMENT OPPORTUNITY: During the performance of this Agreement, Tenant agrees as follows:

- (a) Tenant will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of its business. Tenant agrees to post in conspicuous places, available to employees and applicants for

employment, notices setting forth the provisions of this nondiscrimination clause.

- (b) Tenant, in all solicitations or advertisements for employees placed by or on behalf of Tenant, will state that Tenant is an equal opportunity employer.
- (c) Tenant will include the provisions of the foregoing subsections (a) and (b) in every contract or purchase order of over ten thousand dollars and no cents (\$10,000.00) so that the provisions will be binding upon each contractor or vendor.

36. DRUG-FREE WORKPLACE:

- (a) During the performance of this Agreement, Tenant agrees to (i) provide a drug-free workplace for its employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of Tenant that Tenant maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.
- (b) For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the Agreement.

37. RULES AND REGULATIONS Tenant agrees to comply and adhere to Landlord's rules and regulations concerning the Building as stated in the attached Exhibit "D" attached hereto and made part of this Lease

38. SIGNAGE Tenant agrees to comply and adhere to Landlord's regulations concerning signage as stated in the attached Exhibit "E" attached hereto and made part of this Lease.

39. GUARANTY By virtue of entering into this Lease, Tenant agrees to have executed the Guaranty contained in Exhibit "F" attached hereto and made part of this Lease. Such Guarantor(s) shall first be approved by Landlord in writing. Tenant agrees to provide information concerning Guarantor(s) to Landlord upon request.

40. ADDITIONAL RENT Tenant improvements, as stated in the attached Exhibit "G", paid for by the Landlord and amortized over 34 months total \$72.00 per month in addition to base rent and Common Area Maintenance Fee.

41. BUSINESS HOUR MODIFICATION Landlord hereby grants to Tenant and exemption of business hours for a period of two-weeks for Tenant to take vacation. Tenant shall notify Landlord several weeks prior to taking this vacation of this intention to close the business, and Tenant shall post a public notice with a professional quality sign notifying his customers of this absence and his return date.

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Witness Printed Name

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Witness Printed Name

LANDLORD:

CITY OF ROANOKE

By: \_\_\_\_\_  
Print Name: Darlene Burcham  
Title: City Manager

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Witness Printed Name

TENANT:

ELIAS AZAR DBA AZAR JEWELRY, INC.

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Witness Printed Name

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
SS#231-59-4518

**EXHIBIT A**  
**FLOOR PLAN**

**EXHIBIT B**  
**COMMON AREAS FLOOR PLAN**  
**Attached**

**EXHIBIT C**

**MENU**

**Attach here if Food Court Tenant**

## EXHIBIT D

### RULES AND REGULATIONS

1. All trash must be kept in a covered container, or if requested by Landlord, in a Dumpster or similar container furnished and serviced at Tenant's expense.
2. Tenant shall keep lights on in show windows, leased food court space and lights on under marquee, if any, from 10:00 a.m. until 6:00 p.m.
3. Tenant agrees to handle all deliveries and refuse through the Salem Avenue entrance (if one) of the Premises.
4. No sign shall be permanently affixed to the plate glass of any window without prior written consent of Landlord.
5. No solicitation material shall be displayed inside the building or affixed to the exterior of the building.
6. Tenant shall keep Premise's, windows and window frames clean (inside and out) at all times and wash them weekly.
7. Tenant shall keep Premises' floors free of trash, chewing gum and other debris, and shall scrub and wax all tile or plastic flooring at least weekly.
8. Tenant is responsible for the replacement of light bulbs in its space
9. Tenant is responsible for the replacement of air-filters and the monthly maintenance of their exhaust fans in its Premises by a licensed contractor on a basis predetermined by the Landlord.
10. Tenant shall be responsible for breaking down and having all cardboard boxes ready for pick up.
11. (Applies only to Food Court Vendors) Providing the availability of space for the purpose of storage, Landlord will allocate equally among all food vendors a set amount of space for the storage of a freezer or a refrigerator, food items and paper products. Items must be stored in accordance with Health and Fire codes. No restaurant equipment (unused or in disrepair) is to be stored in the area under any circumstances. Any prohibited items stored in this area will be removed at Tenant's expense. Tenant's not maintaining their own storage space per Health and Fire code requirements will be assessed a \$100.00 fee per occurrence. If a Tenant's space is in violation more than three times in a given year, Landlord will rescind Tenant's option to use available space.

## **EXHIBIT E**

### **SIGN REGULATION**

No sign, advertisement or notice shall be inscribed, painted, affixed or displayed on walls, windows, or any part of the outside or the inside of the Building except on the awnings, directories, and then only in such place, number, size, color and style as it approved Landlord. If Tenant nevertheless exhibits such sign, advertisement or notice, Landlord shall have the right to remove the same and Tenant shall be liable for any and all expenses incurred by Landlord by such removal. Tenant further agrees to maintain such sign, awning, canopy, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all times. Landlord shall have the right to prohibit any advertisement of Tenant which in its opinion tends to impair the reputation of the Building or its desirability as a high-quality festival marketplace for retail stores or food related businesses, other institutions of like nature, and, upon written notice from Landlord, Tenant shall immediately refrain from and discontinue any such advertisement.

## **EXHIBIT F**

## GUARANTY

### PERSONAL GUARANTEE

All of the terms and conditions of this Lease, including but not limited to, the payment of all rents herein prescribed are personally guaranteed by:

In order to induce \_\_\_\_\_ ("Landlord"), to enter into that certain Lease Agreement dated \_\_\_\_\_ (the "Lease") between Landlord and ("Tenant"), and in consideration of the benefits inuring to the undersigned (the "Guarantors") under such Lease, the receipt and sufficiency of which is represented by the Guarantors to Landlord to be sufficient and adequate, the Guarantors hereby unconditionally guarantee the performance of all of Tenant's obligations under the Lease, including, without limitation, the payment of rental as provided therein. This Guaranty shall remain in full force throughout the original Lease term and any renewals thereof. This Guaranty shall be binding upon Guarantors and Guarantors' heirs, legal representatives, successors and assigns, and shall inure to the benefit of Landlord and its successors and assigns. If there is more than one Guarantor, the liability of each Guarantor shall be joint and several.

This Guaranty is a guaranty of payment and performance and not of collection. Guarantors hereby waive notice of acceptance of this Guaranty agreement and all other notices in connection herewith or in connection with the liabilities, obligations and duties guaranteed hereby, including notices to it of default by Tenant under the Lease, and hereby waive diligence, presentment, protest and suit on the part of Landlord in the enforcement of any liability, obligation or duty guaranteed hereby. Guarantors further agree that Landlord shall not be first or concurrently required to enforce against Tenant or any other person, any liability, obligation or duty guaranteed hereby before seeking enforcement thereof against Guarantor. The liability of Guarantors shall not be affected by any indulgence, compromise, settlement or variation of terms which may be extended to Tenant by Landlord, or agreed upon by Landlord or Tenant, and shall not be affected by any assignment or sublease by Tenant of its interest in the Lease, nor shall the liability of the Guarantors be affected by the insolvency, bankruptcy (voluntary or involuntary), or reorganization of Tenant, nor by the voluntary or involuntary liquidation, sale, or other disposition of all or substantially all of the assets of Tenant, or by the release of any other guarantor. Landlord and Tenant, without notice to or consent by Guarantors, may at any time or times enter into such modifications, extensions, amendments or other covenants respecting the Lease as they may deem appropriate, and Guarantors shall not be released thereby but shall constitute to be fully liable to the performance of all obligations and duties of Tenant under the Lease as so modified, extended or amended.

Guarantors further agree (1) to indemnify and hold harmless Landlord from and against any claims, damages, expenses, or losses, including to the extent permitted by law, the reasonable fees of an attorney, resulting from or arising out of any breach of the Lease by Tenant or by reason of Tenant's failure to perform any of its obligations thereunder, and (2) to the extent permitted by law, to pay any costs or expenses, including the reasonable fees of an attorney, incurred by Landlord in enforcing this Guaranty.

The Guarantors acknowledge that Landlord may assign its rights under the Lease to an institutional investor as security for a loan to be made by such institutional investor to Landlord, and as long as any indebtedness of Landlord shall be outstanding and such assignment of the Lease shall exist, such institutional investor assignee shall be entitled to bring any suit, action or proceeding against the undersigned for the enforcement of any provision of this Guaranty, and it shall not be necessary in any such suit, action or proceeding to make Landlord a party thereto. This Guaranty may not be modified or amended without the prior written

consent of such assignee of Landlord's interest in the Lease, and any attempted modifications or amendment without such consent shall be void.

All existing and future advances by Guarantors to Tenant and all existing and future debts of Tenant to any Guarantor shall be subordinated to all obligations owed to Landlord under the Lease and this Guaranty. Guarantors assume the responsibility to remain informed of the financial condition of the Tenant and of all other circumstances bearing upon the risk of Tenant's default, which reasonable inquiry would reveal, and agree that Landlord shall have no duty to advise Guarantors of information known to it regarding such condition or any such circumstance. Landlord shall not be required to inquire into the powers of Tenant or the officers, employees, partners or agents acting or purporting to act on its behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty. Each Guarantor hereby represents and warrants to Landlord that such Guarantor has received a copy of the Lease, has read the opportunity to read the Lease, and understands the terms of the Lease. The provisions in the Lease relating to the execution of additional documents, legal proceedings by Landlord against Tenant, severability of the provisions of Lease, interpretation of the Lease, notice, waiver, the applicable laws which govern the interpretation of the Lease and the authority of Tenant to execute the Lease are incorporated herein in their entirety by this reference and made a part thereof. Any reference in those provisions to "Tenant" shall mean each Guarantor and any reference in those provisions to the "Lease" shall mean this Guaranty.

If any one or more of the provisions of this Guaranty shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Guaranty, and this Guaranty shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. This Guaranty shall be construed according to the laws of the state where the Premises are located (the "State"). By execution hereof, the undersigned specifically consent to this choice of law designation and consent that all actions or proceeds arising directly, indirectly or otherwise in connection with, out of, related in the State, and the undersigned (i) consent and submit to the in personam jurisdiction of any state or federal court located within the State, (ii) waive any right to transfer or change the venue of litigation brought against the undersigned, and (iii) agree to service of process, to the extent permitted by law, by mail.

TO THE EXTENT PERMITTED BY APPLICABLE LAW, AND ACKNOWLEDGING THAT THE CONSEQUENCE OF SAID WAIVER ARE FULLY UNDERSTOOD, THE UNDERSIGNED HEREBY EXPRESSLY WAIVE THE RIGHT TO TRIAL BY JURY, THE RIGHT TO INTERPOSE ANY DEFENSE BASED UPON ANY STATUTE OF LIMITATION, ANY CLAIM OF LACHES AND ANY SET-OFF OR COUNTERCLAIM OF ANY NATURE OR DESCRIPTION IN ANY ACTION OR PROCEEDING INSTITUTED AGAINST THE UNDERSIGNED OR ANY OTHER PERSON LIABLE ON THE LEASE.

IN WITNESS WHEREOF, Guarantor(s) have caused this instrument to be executed this day of \_\_\_\_\_, 2005.

Social Security #: \_\_\_\_\_

Social Security #: \_\_\_\_\_

#### EXHIBIT G

## TENANT IMPROVEMENTS

Landlord will deliver the Premises under the following conditions:

1. Frame-in two open doorways adjoining Suite 110
2. Install hot and cold water supply and waste line to Suite 110
3. Install sink (to be provided by Tenant) with two ground fault outlets
4. Remove existing carpet

\*Labor, materials and other fees are paid by the Tenant and amortized over 34 months.

Tenant agrees to:

1. Install new flooring
2. Paint
3. Purchase sink

\*Tenant may only hire licensed and insured contractors and provide Landlord with such information prior to work commencing

IN THE COUNCIL OF THE CITY OF ROANOKE, VIRGINIA,

AN ORDINANCE authorizing the lease of approximately 418 square feet of space located within City-owned property known as the City Market Building, located at 32 Market Square, for a term of three (3) years beginning January 3, 2006, and expiring January 2, 2009, with a base rent rate of \$23.50 per square foot, authorizing the appropriate City officials to execute a Lease Agreement therefore; and dispensing with the second reading of this ordinance by title.

WHEREAS, a public hearing was held on January 3, 2006, pursuant to §§15.2-1800(B) and 1813, Code of Virginia (1950), as amended, at which hearing all parties in interest and citizens were afforded an opportunity to be heard on the proposed lease.

THEREFORE, BE IT ORDAINED by the Council of the City of Roanoke that:

1. The City Manager and the City Clerk are hereby authorized to execute and attest, respectively, in a form approved by the City Attorney, an agreement with Elias Azar, the owner and operator of Azar Jewelry, Inc., for the lease of approximately 418 square feet of space located within City-owned property known as the City Market Building, located at 32 Market Square, for a term of three (3) years beginning January 3, 2006, and expiring January 2, 2009, with a base rent rate of \$23.50 per square foot, upon certain terms and conditions, and as more particularly described in the City Manager's letter to this Council dated January 3, 2006.

2. Pursuant to the provisions of Section 12 of the City Charter, the second reading of this ordinance by title is hereby dispensed with.

ATTEST:

City Clerk.



## **CITY OF ROANOKE OFFICE OF THE CITY MANAGER**

Noel C. Taylor Municipal Building  
215 Church Avenue, S.W., Room 364  
Roanoke, Virginia 24011-1591

Telephone: (540) 853-2333  
Fax: (540) 853-1138  
City Web: [www.roanokeva.gov](http://www.roanokeva.gov)

January 3, 2006

Honorable C. Nelson Harris, Mayor  
Honorable Beverly T. Fitzpatrick, Jr., Vice Mayor  
Honorable M. Rupert Cutler, Council Member  
Honorable Alfred T. Dowe, Jr., Council Member  
Honorable Sherman P. Lea, Council Member  
Honorable Brenda L. McDaniel, Council Member  
Honorable Brian J. Wishneff, Council Member

Dear Mayor Harris and Members of City Council:

Subject: Fire Programs Grant

### **Background:**

The Fire Programs Fund was established by the General Assembly effective October 4, 1985, pursuant to section 38.1-44.1 of the Code of Virginia. The sunset clause requiring expiration of this fund July 1, 1990 was removed, thus, the City's annual allocation of state funds will continue indefinitely.

Program guidelines require that funds received are non-supplanting and may not be used to replace existing local funding. Funds must be used in accordance with the provisions established by the State Department of Fire Programs.

The City of Roanoke's FY06 allocation of \$215,029 from the Department of Fire Programs was deposited into account 035-520-3335-3365 from the Department of Fire Programs.

### **Considerations:**

The City's portion of the Roanoke Regional Fire-EMS Training Center debt service is \$60,000, which is paid annually from this revenue source. Remaining grant funds will be used to purchase replacement turnout gear as needed, small supplies such as tools and helmets and other personal protective equipment. These supplies will be purchased in accordance with the provisions of the program.

City Council action is needed to formally accept and appropriate these funds, and authorize the Director of Finance to establish revenue estimates and appropriate accounts in the Grant Fund.

Recommended Action:

Authorize the City Manager to accept the grant, to accept and file any documents, approved as to form by the City Attorney, setting forth the conditions of the FY2006 Fire Programs Funds Grant, to furnish such additional information as may be required.

Adopt the accompanying budget ordinance to establish a revenue estimate for Fire Program FY06 - State (035-520-3335-3365) and to appropriate funding in the amount of \$215,029 in various expenditure accounts to be established by the Director of Finance in the Grant Fund.

Respectfully submitted,



Darlene L. Burcham  
City Manager

DLB:tb

c: Mary F. Parker, City Clerk  
William M. Hackworth, City Attorney  
Jesse A. Hall, Director of Finance  
James Grigsby, Acting Assistant City Manager, Operations  
David Hoback, Acting Fire-EMS Chief

CM05-00184

## IN THE COUNCIL OF THE CITY OF ROANOKE, VIRGINIA

AN ORDINANCE appropriating funding for the Fire Program Grant, amending and reordaining certain sections of the 2005-2006 Grant Fund Appropriations, and dispensing with the second reading by title of this ordinance.

BE IT ORDAINED by the Council of the City of Roanoke that the following sections of the 2005-2006 Grant Fund Appropriations be, and the same are hereby, amended and reordained to read and provide as follows:

## Appropriations

Expendable Equipment <\$5,000	035-520-3335-2035	\$ 70,029
Training and Development	035-520-3335-2044	10,000
Wearing Apparel	035-520-3335-2064	70,000
Recruiting	035-520-3335-2065	5,000
Regional Fire Training Academy	035-520-3335-9073	60,000

## Revenues

Fire Program FY06	035-520-3335-3365	215,029
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Pursuant to the provisions of Section 12 of the City Charter, the second reading of this ordinance by title is hereby dispensed with.

ATTEST:

City Clerk.



IN THE COUNCIL OF THE CITY OF ROANOKE, VIRGINIA

A RESOLUTION authorizing the acceptance of the FY2006 Fire Programs Funds Grant made to the City of Roanoke by the Virginia Department of Fire Programs and authorizing the execution and filing by the City Manager of any documents required by the grant.

BE IT RESOLVED by the Council of the City of Roanoke that:

1. The City of Roanoke hereby accepts the offer made by the Virginia Department of Fire Programs of the FY2006 Fire Programs Funds Grant in the amount of \$215,029.
2. The City Manager or the Assistant City Manager for Operations is hereby authorized to accept, execute, deliver and file on behalf of the City, after approval by the City Attorney, any documents required by the FY2006 Fire Programs Funds Grant.
3. The City Manager or the Assistant City Manager for Operations is further directed to furnish such additional information as may be required by the Virginia Department of Fire Programs in connection with the City's acceptance of the foregoing grant or with such project.

ATTEST:

City Clerk



## **CITY OF ROANOKE OFFICE OF THE CITY MANAGER**

Noel C. Taylor Municipal Building  
215 Church Avenue, S.W., Room 364  
Roanoke, Virginia 24011-1591  
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January 3, 2006

Honorable C. Nelson Harris, Mayor  
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Honorable Alfred T. Dowe, Jr., Council Member  
Honorable Sherman P. Lea, Council Member  
Honorable Brenda L. McDaniel, Council Member  
Honorable Brian J. Wishneff, Council Member

Dear Mayor Harris and Members of City Council:

Subject: Guidelines for Funding Non-Profit  
Organizations

City Council previously adopted on October 17, 2005 criteria for funding non-profit organizations. The criterion on board member participation was not worded as agreed upon by the Funder's Circle and the Carilion Foundation. Board member participation will be changed from each board member has an annual average attendance rate of at least 75% to annual average board meeting attendance of 75% in the aggregate.

Also, as a result of conversations with representatives from the Arts Council of the Blue Ridge, Council of Community Services, Human Services Advisory Board, and the Roanoke Arts Commission, additional revisions are being recommended.

These revisions include changing the term "criteria" to "guidelines". This is intended to note specific requirements that agencies are expected to adhere to in applying for funding. While non-adherence to the guidelines will not necessarily prohibit an agency from receiving funds, adherence will be used as one of the key factors in determining the award of funding.

Also, a threshold minimum request of \$25,000 will be used for the application of the guidelines. Specifically, any agency requesting \$25,000 or more will be

expected to adhere to the guidelines. The \$25,000 threshold will be applied at the agency level, so individual program applications will be aggregated.

The "semi-annual" reporting of results will be changed to "periodic" reporting of results. This is intended to provide the flexibility to report results on a more frequent basis if needed.

Following is the corrected wording for adoption by City Council.

The following guidelines apply to agencies that request \$25,000 or more:

1. Organizations must develop a business plan that includes evidence of community involvement and outlines long-term plans for financial sustainability.
2. Boards of organizations must demonstrate engagement with their organization by certifying financial commitment at 100% and annual average meeting attendance at 75%.
3. Organizations must agree to an annual site visit and periodic reporting of results achieved through funds received.
4. Organizations in existence for two years or more with an annual budget of \$50,000 must perform an annual audit.

The City of Roanoke will be joined in this approach by Carilion Foundation and the Funders Circle. Other private foundations are also considering using these criteria in their funding process.

All past recipients of city funds will be informed of these new requirements as soon as adopted.

Recommendation:

Adopt the guidelines as amended.

Sincerely,

A handwritten signature in black ink, appearing to read "Darlene L. Burcham".

Darlene L. Burcham  
City Manager

DLB:sm

c: Mary F. Parker, City Clerk  
Jesse A. Hall, Director of Finance  
William M. Hackworth, City Attorney

CM05-0186

## IN THE COUNCIL OF THE CITY OF ROANOKE, VIRGINIA,

A RESOLUTION adopting a revised policy pertaining to funding for non-profit organizations that request \$25,000 or more in future budget cycles, and repealing Resolution No. 37215-101705, adopted October 17, 2005.

WHEREAS, after several months of discussion with public and private organizations that fund non-profit agencies, the City developed guidelines for non-profit organizations that request \$25,000 or more in funding from the City which were adopted October 17, 2005, by the adoption of Resolution No. 37215-101705; and

WHEREAS, certain revisions to the guidelines have been proposed by the City Manager in a letter to Council dated January 3, 2006.

THEREFORE, BE IT RESOLVED by the Council of the City of Roanoke that:

1. The City hereby adopts the revised policy as more particularly described in the City Manager's letter dated January 3, 2006, to City Council, containing certain guidelines to be adhered to when reviewing and approving funding for non-profit organizations that request \$25,000 or more in future budget cycles.

2. Resolution No. 37215-101705, adopted October 17, 2005, is hereby repealed.

ATTEST:

City Clerk.



# CITY OF ROANOKE

## DEPARTMENT OF FINANCE

215 Church Avenue, S.W., Room 461

P.O. Box 1220

Roanoke, Virginia 24006-1220

Telephone: (540) 853-2821

Fax: (540) 853-6142

**JESSE A. HALL**

Director of Finance

email: jesse\_hall@ci.roanoke.va.us

**ANN H. SHAWVER**

Deputy Director

email: ann\_shawver@ci.roanoke.va.us

January 3, 2006

Honorable C. Nelson Harris, Mayor  
 Honorable Beverly T. Fitzpatrick, Jr., Vice Mayor  
 Honorable M. Rupert Cutler, Council Member  
 Honorable Alfred T. Dowe, Jr., Council Member  
 Honorable Sherman P. Lea, Council Member  
 Honorable Brenda L. McDaniel, Council Member  
 Honorable Brian J. Wishneff, Council Member

Dear Mayor Harris and Members of City Council:

Subject: November Financial Report

I would like to take this opportunity to update Council on the upcoming bond sale. Council authorized issuance of \$39,030,000 general obligation bonds for the following projects:

Riverside Center	\$ 5,500,000
Art Museum	3,700,000
Civic Center Phase II Expansion	6,405,000
Financial System Implementation	2,600,000
Downtown West Parking Garage	2,600,000
High School Facility Improvements (Patrick Henry High School)	14,250,000
Countryside Golf Course	<u>3,975,000</u>
Total	<u>\$39,030,000</u>

We visited the three bond rating agencies in New York recently and provided an update on the many projects and activities that are ongoing in Roanoke, plans for future projects, as well as detailed financial information. We believe we had a very good story to tell, and are confident we will maintain our double A bond rating. We should receive our ratings in mid January 2006.

Due to the nature of the Countryside project, those bonds were recently sold as taxable bonds via a private placement with a local bank, structured to give us maximum flexibility for repayment. Competitive bids will be received on the remainder of the bonds on January 26, with closing tentatively scheduled for February 8, 2006. In general we are still in a favorable interest rate environment and will apprise council of the details of the sale after we receive bids on the bonds.

Relative to the November financial report, the adopted budget for the fiscal year 2006 totaled \$223.8 million representing a 5.7% increase over the previous year's adopted budget. This financial report covers the first five months of activity for fiscal year 2006. The following narrative provides commentary on the significant events of this period.

### Revenues

Revenues through November 2005 increased 7.9% compared to the prior fiscal year, led by growth in real estate and the increased meals tax. Variances from the prior year are addressed as follows:

General Property Taxes increased 7.1% as a result of growth in reassessments and new construction. The first installment of the real estate tax was due October 5<sup>th</sup>. This tax is expected to grow 9.3 % as a whole in FY 2006, and actual growth has followed this trend as collections of real estate tax are up 9.1%. Personal property taxes decreased through November; however, the majority of collections occur in the spring.

Other Local Taxes increased 6.7% through November. The Prepared Food and Beverage tax rate increased from 4% to 5% effective July 1<sup>st</sup>. Through November, this rate increase has provided approximately \$667,000 in additional revenue and is expected to provide revenue growth of approximately \$2 million throughout the fiscal year. Exclusive of the rate increase, Prepared Food and Beverage tax increased 4.3%, a positive trend in this tax. Sales tax increased 3.3% when adjusted for non-recurring collections in the prior year. Also indicative of a positive trend in our economy is 9.0% growth in the Transient Room Tax, which is influenced by positive performance at local hotels, as well as results from ongoing tax audits.

Revenue from the Use of Money and Property increased significantly over the prior year as a result of interest income on the Budget Stabilization Reserve. The reserve was established in late FY05 by transfer from the Debt Service Fund.

Grants-in-Aid Commonwealth increased 11.6% due it part to a timing difference in the receipt of monthly funding from the Commonwealth of Virginia Compensation Board. In November of FY05, no payment was received from the State while two payments were received in December of that year. Additionally, AFDC Foster Care revenues increased over FY05. These revenues are directly related to an increase in reimbursable expenditures related to residential foster care, child placement, subsidized and special needs adoption, and adoption assistance services.

### Expenditures

The FY06 expenditure budget includes funding of approximately \$1.4 million to cover contracts and purchase orders made during FY05 but not paid by the end of that year. City Council approved re-appropriation of this funding when adopting the General Fund budget in May.

General Fund expenditures as a whole increased 6.5%. There have been eleven payrolls on a year to date basis in fiscal year 2006, while there were ten payrolls through the same period of fiscal year 2005. The increase in the number of payrolls causes most departments' expenditures to increase in total in the current year. All departments are also affected by the 3% average pay raise granted to City employees beginning July 1, 2005. Additionally, a change in the billing methodology of the Fleet and Department of Technology (DoT) funds will affect user departments. Beginning in FY06, the General Fund will fund capital outlay for Fleet and DoT through a billing to user departments instead of by a General Fund transfer as in prior years. This will cause a decline in the Nondepartmental category and an offsetting increase in numerous other categories throughout FY06. Other variances between FY05 and FY06 are addressed as follows.

Honorable Mayor and Members of Council  
January 3, 2006  
Page 3

General Government expenditures grew due to the aforementioned increases in the number of payrolls and internal service charges.

Judicial Administration expenditures vary in part due to increased juvenile detention housing costs. While the City per diem has not increased this fiscal year, the number of juveniles housed by the Detention Commission has risen.

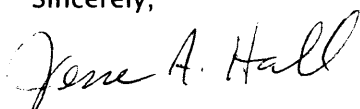
Public Safety expenditures grew 13.2% in part due to increased Capital Maintenance and Equipment Replacement expenditures in the Police Department. Additionally, the Jail has experienced an increase in the cost of prison health services.

Health and Welfare expenditures decreased 7.0% in the current year due to a timing difference in the encumbrance of the recently approved Health Department subsidy.

Parks, Recreation and Cultural expenditures increased 25.9% in part due to the reclassification of Event Zone, Virginia Amateur Sports, and Downtown Roanoke Inc expenditures from Community Development to Parks and Recreation Administration. Additionally, there was a non-recurring expenditure for downtown holiday lighting.

Nondepartmental expenditures declined 26.9% due to a decrease in the amount of undesignated fund balance transferred to the Capital Projects Fund. A decrease in the transfer to Risk Management Fund also contributed to the decline. This decrease occurred due to a lower required funding allocation for the City's reserve for uninsured claims in the current year compare to the prior year.

Sincerely,



Jesse A. Hall  
Director of Finance

JAH:DLH:ca

#### Attachments

c: Darlene L. Burcham, City Manager  
William M. Hackworth, City Attorney  
Mary F. Parker, City Clerk  
Rolanda B. Russell, Assistant City Manager  
James Grigsby, Acting Assistant City Manager  
Sherman M. Stovall, Director of Management and Budget

**CITY OF ROANOKE, VIRGINIA  
GENERAL FUND**

**STATEMENT OF REVENUE**

Revenue Source	Year to Date for the Period			Current Fiscal Year	
	July 1 - November 30 2004-2005	July 1 - November 30 2005-2006	Percentage of Change	Revised Revenue Estimates	Percent of Revenue Estimate Received
General Property Taxes	\$ 30,500,782	\$ 32,671,712	7.12 %	\$ 93,243,000	35.04%
Other Local Taxes	16,094,248	17,170,656	6.69 %	65,801,000	26.09%
Permits, Fees and Licenses	468,005	509,261	8.82 %	1,069,000	47.64%
Fines and Forfeitures	571,672	566,965	-0.82 %	1,354,000	41.87%
Revenue from Use of Money and Property	334,676	482,716	44.23 %	722,000	66.86%
Grants-in-Aid Commonwealth	12,567,899	14,024,833	11.59 %	49,926,105	28.09%
Grants-in-Aid Federal Government	-	-	- %	38,000	0.00%
Charges for Services	3,350,697	3,600,091	7.44 %	8,891,000	40.49%
Internal Services	801,209	802,711	0.19 %	2,527,000	31.77%
Miscellaneous Revenue	234,089	231,983	-0.90 %	384,000	60.41%
<b>Total</b>	<b>\$ 64,923,277</b>	<b>\$ 70,060,928</b>	<b>7.91 %</b>	<b>\$ 223,955,105</b>	<b>31.28%</b>

**STATEMENT OF EXPENDITURES AND ENCUMBRANCES**

Expenditures	Year to Date for the Period			Current Fiscal Year		
	July 1 - November 30 2004-2005	July 1 - November 30 2005-2006	Percentage of Change	Unencumbered Balance	Revised Appropriations	Percent of Budget Obligated
General Government	4,453,590	5,121,047	14.99 %	\$ 7,043,662	\$ 12,164,709	42.10%
Judicial Administration	2,390,494	2,756,731	15.32 %	4,248,045	7,004,776	39.36%
Public Safety	22,089,334	24,995,087	13.15 %	31,252,806	56,247,893	44.44%
Public Works	10,619,971	10,985,382	3.44 %	12,599,923	23,585,305	46.58%
Health and Welfare	13,198,301	12,272,237	-7.02 %	18,495,918	30,768,155	39.89%
Parks, Recreation and Cultural	3,516,915	4,426,527	25.86 %	5,376,449	9,802,976	45.15%
Community Development	2,567,879	2,807,963	9.35 %	2,929,293	5,737,256	48.94%
Transfer to Debt Service Fund	11,232,054	12,194,868	8.57 %	5,529,850	17,724,718	68.80%
Transfer to School Fund	22,056,263	23,539,646	6.73 %	31,705,508	55,245,154	42.61%
Nondepartmental	3,045,901	2,226,795	-26.89 %	7,930,183	10,156,978	21.92%
<b>Total</b>	<b>\$ 95,170,702</b>	<b>\$ 101,326,283</b>	<b>6.47 %</b>	<b>\$ 127,111,637</b>	<b>\$ 228,437,920</b>	<b>44.36%</b>

**CITY OF ROANOKE, VIRGINIA  
CIVIC FACILITIES FUND  
COMPARATIVE INCOME STATEMENT  
FOR THE FIVE MONTHS ENDING NOVEMBER 30, 2005**

	<u>FY 2006</u>	<u>FY 2005</u>
<b>Operating Revenues</b>		
Rentals	\$ 185,942	\$ 236,821
Event Expenses	48,630	75,787
Display Advertising	41,335	52,546
Admissions Tax	83,501	196,488
Electrical Fees	4,845	10,915
Novelty Fees	16,388	45,686
Facility Surcharge	61,914	107,719
Marketing Promotions	-	7,915
Charge Card Fees	17,628	46,901
Commissions	7,644	37,620
Catering/Concessions	260,710	322,315
Other	5,094	11,934
<b>Total Operating Revenues</b>	<u>733,631</u>	<u>1,152,647</u>
<b>Operating Expenses</b>		
Personal Services	825,025	743,925
Operating Expenses	600,273	720,793
Depreciation	232,912	199,435
<b>Total Operating Expenses</b>	<u>1,658,210</u>	<u>1,664,153</u>
<b>Operating Loss</b>	<u>(924,579)</u>	<u>(511,506)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest on Investments	20,793	14,541
Transfer from General Fund		42,324
Transfer to Debt Service Fund	(47,809)	(48,409)
Interest and Fiscal Charges	(39,145)	(39,717)
Arena Ventures Contractual Penalties	133,585	122,970
Miscellaneous	732	5,510
<b>Net Nonoperating Revenues</b>	<u>68,156</u>	<u>97,219</u>
<b>Net Loss</b>	<u><u>\$ (856,423)</u></u>	<u><u>\$ (414,287)</u></u>

**CITY OF ROANOKE, VIRGINIA  
PARKING FUND  
COMPARATIVE INCOME STATEMENT  
FOR THE FIVE MONTHS ENDING NOVEMBER 30, 2005**

	<u>FY 2006</u>	<u>FY 2005</u>
<b>Operating Revenues</b>		
Century Station Parking Garage	\$ 177,467	\$ 152,943
Williamson Road Parking Garage	219,546	219,050
Market Square Parking Garage	89,436	94,368
Church Avenue Parking Garage	274,983	257,255
Tower Parking Garage	183,514	185,067
Gainsboro Parking Garage	49,892	43,156
Williamson Road Surface Lots	34,187	36,526
Norfolk Avenue Surface Lot	15,648	28,762
Gainsboro Surface Lot	19,809	25,266
Church Avenue Surface Lot	19,000	19,000
Bullitt Avenue Surface Lot	33,714	33,257
Salem Avenue Surface Lot	9,616	11,075
West Church/YMCA Surface Lots	<u>12,898</u>	<u>6,828</u>
<b>Total Operating Revenues</b>	<u>1,139,710</u>	<u>1,112,553</u>
<b>Operating Expenses</b>		
Operating Expenses	456,171	453,783
Depreciation	<u>240,369</u>	<u>264,933</u>
<b>Total Operating Expenses</b>	<u>696,540</u>	<u>718,716</u>
<b>Operating Income</b>	<u>443,170</u>	<u>393,837</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest on Investments	31,433	11,584
Interest and Fiscal Charges	<u>(125,067)</u>	<u>(134,356)</u>
<b>Net Nonoperating Expenses</b>	<u>(93,634)</u>	<u>(122,772)</u>
<b>Net Income</b>	<u><u>\$ 349,536</u></u>	<u><u>\$ 271,065</u></u>

**CITY OF ROANOKE, VIRGINIA  
MARKET BUILDING FUND  
INCOME STATEMENT  
FOR THE FIVE MONTHS ENDING NOVEMBER 30, 2005**

	<u>FY 2006</u>	<u>FY 2005</u>
<b>Operating Revenues</b>		
Retail Space Rental	<u>\$ 110,406</u>	<u>\$ 92,874</u>
<b>Total Operating Revenues</b>	<u>110,406</u>	<u>92,874</u>
<b>Operating Expenses</b>		
Operating Expense	105,849	112,525
Depreciation	<u>3,231</u>	<u>3,165</u>
<b>Total Operating Expenses</b>	<u>109,080</u>	<u>115,690</u>
<b>Operating Income (Loss)</b>	<u>1,326</u>	<u>(22,816)</u>
<b>Nonoperating Revenues</b>		
Interest on Investments	1,697	154
Miscellaneous	<u>130</u>	<u>-</u>
<b>Net Nonoperating Revenues</b>	<u>1,827</u>	<u>154</u>
<b>Net Income (Loss)</b>	<u><u>\$ 3,153</u></u>	<u><u>\$ (22,662)</u></u>

**CITY OF ROANOKE, VIRGINIA  
CITY TREASURER'S OFFICE  
GENERAL STATEMENT OF ACCOUNTABILITY  
FOR THE MONTH ENDED NOVEMBER 30, 2005**

TO THE DIRECTOR OF FINANCE:

GENERAL STATEMENT OF ACCOUNTABILITY OF THE CITY TREASURER OF THE CITY OF ROANOKE, VIRGINIA FOR THE FUNDS OF SAID CITY FOR THE MONTH ENDED NOVEMBER 30, 2005.

FUND	BALANCE AT OCT 31, 2005	RECEIPTS	DISBURSEMENTS	BALANCE AT NOV 30, 2005	BALANCE AT NOV 30, 2004
GENERAL	\$22,128,731.66	\$9,939,854.61	\$17,260,480.58	\$14,808,105.69	(\$6,522,492.49)
WATER	420.00	0.00	0.00	420.00	420.00
WATER POLLUTION CONTROL	1,738.22	0.00	0.00	1,738.22	1,738.22
CIVIC FACILITIES	4,038,769.15	266,368.20	619,611.26	3,685,526.09	8,428,832.88
PARKING	3,339,877.80	235,408.93	143,834.42	3,431,452.31	2,917,899.45
CAPITAL PROJECTS	53,550,928.82	166,738.18	4,937,947.96	48,779,719.04	62,657,798.98
MARKET BUILDING OPERATIONS	106,530.02	25,299.35	31,247.30	100,582.07	(43,518.00)
CONFERENCE CENTER	3,795,537.62	56,686.12	4,761.41	3,847,462.33	3,972,038.20
DEBT SERVICE	838,922.56	410,235.99	52,281.59	1,196,876.96	15,257,734.32
DEPT OF TECHNOLOGY	4,482,023.22	316,622.41	250,702.93	4,547,942.70	3,525,138.53
FLEET MANAGEMENT	1,275,242.72	259,205.06	263,508.63	1,270,939.15	(206,516.50)
PAYROLL	(13,256,284.40)	16,325,196.03	18,753,030.67	(15,684,119.04)	(13,203,061.50)
RISK MANAGEMENT	11,280,167.37	1,023,469.97	834,009.88	11,469,627.46	12,207,926.31
PENSION	447,068.91	1,555,949.23	1,862,458.11	140,560.03	620,923.13
SCHOOL FUND	6,535,942.09	7,378,830.71	7,329,813.48	6,584,959.32	5,136,272.34
SCHOOL CAPITAL PROJECTS	1,636,444.11	4,520,346.48	2,142,466.64	4,014,323.95	24,892,783.85
SCHOOL FOOD SERVICE	66,902.07	576,446.60	348,894.74	294,455.93	256,197.17
GRANT	1,719,324.90	1,082,229.39	696,784.43	2,104,769.86	1,385,782.56
<b>TOTAL</b>	<b>\$101,988,286.84</b>	<b>\$44,138,889.26</b>	<b>\$55,531,834.03</b>	<b>\$90,595,342.07</b>	<b>\$121,285,897.45</b>

**CERTIFICATE**

I HEREBY CERTIFY THAT THE FOREGOING IS A TRUE STATEMENT OF MY ACCOUNTABILITY TO THE CITY OF ROANOKE, VIRGINIA, FOR THE FUNDS OF THE VARIOUS ACCOUNTS THEREOF FOR THE MONTH ENDED NOVEMBER 30, 2005.  
THAT SAID FOREGOING:

**CASH**

CASH IN HAND	\$9,691.88
CASH IN BANK	1,067,720.45

**INVESTMENTS ACQUIRED FROM COMPETITIVE PROPOSALS:**

COMMERCIAL HIGH PERFORMANCE MONEY MARKET	4,450,000.00
COMMERCIAL PAPER	1,970,055.56
LOCAL GOVERNMENT INVESTMENT POOL	16,741,644.53
MONEY MANAGEMENT ACCOUNT	10,818,157.35
REPURCHASE AGREEMENTS	6,000,000.00
U. S. AGENCIES	14,605,987.71
VIRGINIA AIM PROGRAM (U. S. SECURITIES)	21,486,634.38
VIRGINIA SNAP PROGRAM (U. S. SECURITIES)	13,445,450.21

**TOTAL**

\$90,595,342.07

DECEMBER 19, 2005

  
EVELYN W. POWERS, TREASURER

**CITY OF ROANOKE PENSION PLAN  
STATEMENT OF CHANGES IN PLAN NET ASSETS  
FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2005**

	<u>FY 2006</u>	<u>FY 2005</u>
<b><u>Additions:</u></b>		
Employer Contributions	\$ 2,884,006	\$ 2,347,638
Investment Income		
Net Appreciation (Depreciation) in Fair Value of Investments	13,100,614	12,198,081
Interest and Dividend Income	1,138,199	1,132,536
Total Investment Income (Loss)	14,238,813	13,330,617
Less Investment Expense	87,904	39,563
Net Investment Income (Loss)	14,150,909	13,291,054
Total Additions (Deductions)	<u>\$ 17,034,915</u>	<u>\$ 15,638,692</u>
 <b><u>Deductions</u></b>		
Benefits Paid to Participants	\$ 8,912,223	\$ 8,349,782
Administrative Expenses	22,450	28,030
Total Deductions	<u>8,934,673</u>	<u>8,377,812</u>
 Net Increase (Decrease)	 8,100,242	 7,260,880
 <b>Net Assets Held in Trust for Pension Benefits:</b>		
 Fund Balance July 1	 318,675,367	 306,925,352
Fund Balance November 30	<u><u>\$326,775,609</u></u>	<u><u>\$314,186,232</u></u>

**CITY OF ROANOKE PENSION PLAN  
BALANCE SHEET  
NOVEMBER 30, 2005**

	<u>FY 2006</u>	<u>FY 2005</u>
<b><u>Assets</u></b>		
Cash	\$ 126,807	\$ 615,408
Investments, at Fair Value	328,441,519	315,236,766
Due from Other Funds	1,431	1,431
Other Assets	-	6,531
	<u>                    </u>	<u>                    </u>
<b>Total Assets</b>	<b><u>\$ 328,569,757</u></b>	<b><u>\$ 315,860,136</u></b>
<b><u>Liabilities and Fund Balance</u></b>		
<b>Liabilities:</b>		
Due to Other Funds	\$ 1,794,148	\$ 1,672,538
Accounts Payable	-	1,366
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities</b>	<b><u>1,794,148</u></b>	<b><u>1,673,904</u></b>
<b>Fund Balance:</b>		
Fund Balance, July 1	318,675,367	306,925,352
Net Gain (Loss) - Year to Date	8,100,242	7,260,880
	<u>                    </u>	<u>                    </u>
<b>Total Fund Balance</b>	<b><u>326,775,609</u></b>	<b><u>314,186,232</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 328,569,757</u></b>	<b><u>\$ 315,860,136</u></b>